

## Message Text

PAGE 01 STATE 130321

66

ORIGIN AID-21

INFO OCT-01 NEA-10 ISO-00 /032 R

DRAFTED BY NESA/CD:GEVANS:GEC

APPROVED BY NESA/CD:TASTERNER

NESA/CD:TAPEARSON (DRAFT)

FM/BFD:JMORTON (PHONE)

GC/NESA:MKITAY (DRAFT)

NESA/NENA JBROOKS

DESIRED DISTRIBUTION

7T ACTION NESA 10 INFO GCNESA GC GCFLD FM CHRON 1 3 6 21P

----- 051027

R 042038Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY TUNIS

UNCLAS STATE 130321

E.O. 11652: N/A

SUBJECT: LOAN 664-H-15A,020, 020A - FRANCHI CONSTRUCTION CO.  
REFS: A) STATE 112538 B) TUNIS 2761 C) TUNIS 2954

1. DESPITE VERBAL ASSURANCES THAT PROPOSAL REFTEL C ACCEPTABLE, FRANCHI STILL NOT IN POSITION CONFIRM TO CHASE THAT NON-RESIDENT FOREIGN CURRENCY ACCOUNT OPENED, ALTHOUGH FRANCHI SAYS THEY EXPECT BE ABLE TO DO SO MOMENTARILY AS REQUISITE INSTRUCTIONS WERE CABLED MAY 29. FRANCHI ATTRIBUTES DELAY IN NOT ACTING SOONER TO INABILITY ESTABLISH TELEPHONE CONTACT WITH THEIR ATTORNEY IN TUNIS.

2. AID/W HAS NO REASON BELIEVE THAT BANK ACCOUNT WILL NOT BE ESTABLISHED BUT WITH L/COMM FUNDS NOW IN PENDING STATUS FOR ALMOST TWO MONTHS, TIME HAS COME TO FIX IRREVOCABLE CUT-OFF DATE FOR PAYMENT THEREUNDER. ACCORDINGLY, AID/W INFORMED FRANCHI BY PHONE ON MAY 30 ITS INTENTION TO TERMINATE AT COB JUNE 13 CHASE'S AUTHORITY TO EFFECT PAYMENT UNDER L/COMM WITH EACH PARTY HAVING ONE WEEK IN WHICH TO TAKE NECESSARY ACTIONS. THUS FRANCHI HAS BEEN TOLD JUNE 6 UNCLASSIFIED

PAGE 02 STATE 130321

IS LAST DATE BY WHICH CHASE CAN ACCEPT INSTRUCTIONS FROM FRANCHI TO TRANSFER FUNDS INTO BANK A/C. IF BANK A/C DETAILS AND TRANSFER AUTHORIZATION NOT FORTHCOMING FROM FRANCHI BY JUNE 6 LATEST, DEOBLIGATION ACTION WILL BE

INITIATED FOLLOWING DAY. SIMILARLY, IF FRANCHI MEETS JUNE 6 DUE DATE AND GOT AUTHORIZATION NOR RECEIVED BY CHASE BY JUNE 13 LATEST, CHASE'S AUTHORITY TO DISBURSE L/COMM FUNDS CEASES AND DEOBLIGATION ACTION COMMENCES. LETTER TO THAT EFFECT PRESENTLY ENROUTE TO CHASE.

3. RE PARA 5 REF C, AS WITH OTHER L/COMM TRANSACTIONS COVERING CONTRACT SERVICES, BASIS FOR PAYMENT IS BORROWER'S APPROVAL OF CONTRACTOR'S INVOICE WHICH VIEWED NOT ONLY AS BORROWER ATTESTING TO ACCURACY OF AMOUNT CLAIMED BY CONTRACTOR BUT THAT INVOICE COVERS ITEMS ELIGIBLE FOR FINANCING UNDER LOAN. SHOULD SUBSEQUENT REVIEW BY AID PROVE OTHERWISE, REFUND CLAIM AGAINST BORROWER IS ISSUED.

4. SINCE GOT HAS CERTIFIED FRANCHI'S INVOICE, IT IS ASSUMED THAT PROPOSED L/COMM PAYMENT CONSISTENT WITH BOTH CONTRACT AND LOAN TERMS/CONDITIONS. AS SUCH FRANCHI FREE TO USE DOLLAR PAYMENT AS IT WISHES. THAT OPTION WOULD NOT HAVE BEEN AVAILABLE TO FRANCHI UNDER EARLIER PROPOSED PAYMENT PROCEDURE AND IN FACT WOULD HAVE BEEN TANTAMOUNT TO TRANSFER OF LOAN DOLLARS TO GOT IN RETURN FOR TD'S, A PAYMENT PROCEDURE UNACCEPTABLE TO AID/W AND TO WHICH COMMENT IN PARA 2 REF A "NOR WOULD AID/W APPROVED" MADE REFERENCE.

5. WILL KEEP USAID INFORMED OF DEVELOPMENTS. KISSINGER

UNCLASSIFIED

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEVELOPMENT LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE130321  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** NESA/CD:GEVANS:GEC  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D750196-0198  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t197506100/baaaalrt.tel  
**Line Count:** 84  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN AID  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 FEB 2003 by PhilliR0>; APPROVED <18 FEB 2004 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> wfs 971002  
**Subject:** n/a  
**TAGS:** EAID, TS, AID, FRANCHI CONSTRUCTION CO  
**To:** TUNIS  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006